FOR MYSORE STATE

Secrt. Old No. II-27, New No. II-15—75,000—31-1-55.

P.W (1956) Department.

M8 SERIES.

G.O. No. 3028

Dated 6-7-56

Dated
6/7

[Despatch Abstract.]

Elecy - Supply of Jog power to Mangalore. Distribution by the Mangalore Licensee Draft agreement - Approved.

1

GOVERNMENT ELECTRICITY DEPARTMENT.

From

Sri V.P. Appadurai, B.A., M.I.E(Ind),
Chief Engineer for Electricity,
157, Mount Road, Madras. 2.

To

The Secretary to Government,
Public Works Department,
Madras.

ASST. SECRETARY TO GOVERNMENT
31 MAR 1956
1543

Letter No.220 E/56-3 dated 13-3-56.

Sir,

SUB: Electricity--Supply of Jog power to Mangalore--Distribution by the Mangalore Licensee--Agreement.

In view of H.T. bulk supply of power being made available by the Mysore Government to this Department sometime this year for distribution in South Kanara District the Mangalore Electric Supply Company Ltd. has requested that bulk power may be made available to it for purpose of distribution in its licensed area of supply and has requested the terms and conditions under which such supply will be given. The draft power agreement enclosed herewith incorporates the terms and conditions of supply. It is based on the latest standard form of H.T. agreement in respect of bulk supply to licensees.

2. I request that the draft agreement may please be approved by Government early. The tariff proposed is only tentative based on the tariff as indicated in the original scheme report and is subject to approval of Government of the proposal being sent to Government separately.

for Chief Engineer for Electricity.

Encl:

Pdk.24-3.

AGREEMENT MADE THIS day of One thousand nine hundred and fifty between the Governor of Madras (which expression shall include his successors in office and assigns) of the one part and the Mangalore Electric Supply Company Ltd., a company registered under the Indian Companies Act 1913, and having its registered office at Calcutta (hereinafter called the licensee, which expression shall include its successors and permitted assigns) of the other part.

WHEREAS the Licensee has requested the Government of Madras (hereinafter referred to as the Government) to furnish it a supply of electric energy in bulk at Mangalore for the purpose of distribution in the area fixed by the Mangalore Electric licensee and any subsequent modifications thereof (hereinafter called the "Licensee") and the Government have agreed to afford such supply to the Licensee on the terms and conditions hereinafter contained.

NOW IT IS HEREBY DECLARED AND AGREED AS FOLLOWS:

vide Cl. 1 of the standard form at p. 31 of Appx VI of S.R.O. Vol II.

1. Subject to the provisions hereinafter contained and during the continuance of this agreement the Government shall supply and the Licensee shall close down its generating station and shall not use it except as a standby, but shall take from the Government as and from a date not later than three months from the date on which intimation is received in writing by the Licensee from the Government that a supply of electrical energy as the Licensee may require for the purpose of supply by the Licensee under the powers contained in the said licence or for any other purpose for which the licensee may require such energy.

10.

That a supply of electrical energy is available under this agt, all such electrical energy

contd. 2

2. The energy supplied to the Licensee by the Government shall be on the three-phase fifty cycles alternating current system at a normal pressure of 11000 volts. The frequency and pressure of the electrical energy at the point of supply shall be subject to the fluctuations that are ordinarily usual and incidental to the generation and transmission of electrical energy, but such fluctuations shall not except owing to extraordinary reasons beyond the Control of the Government be more than four percent on the frequency and 12½ on the pressure. The licensee agrees that all its 11000 volts step-down transformers shall be delta connected on the high-tension side and Y connected on the low tension side.

3. Save as provided herein the supply shall be available continuously except in cases of lockout or strike of the employees of the Government, breakdown of machinery or plant, force majeure or any other cause over which the Government have no control in any of which cases the Government shall not be responsible for any discontinuance of energy but they shall restore the supply as soon as they reasonably can.

4. The point of supply shall be at the Licensee's Power House at Mangalore, but the Government will construct at their cost a 11 K.V. line from their Sub Station at Mangalore upto the Licensee's Power House. This line shall remain remain the sole property of the Government, but the licensee shall undertake the operation and maintenance of the said line at its own cost to the reasonable satisfaction of the Chief Engineer for Electricity to the Government (hereinafter called the 'Chief Engineer').

The Licensee will indemnify the Government against all loss or damage caused on account of his negligence or wrongful act or omission, to the lines, posts and/or other article and things in the said line or out of which the said line may be constructed, and no alteration in or addition to such line and/or posts shall be made by the licensee or in its

behalf without the previous written sanction of the Chief Engineer. The licensee shall tap such lines for the purpose of obtaining a supply of electrical energy only with the previous written sanction of the Chief Engineer. The licensee undertakes to grant free of cost to the Government permission to use all or any land belonging to the Licensee which may be required for erecting the posts, transmission line structures and other apparatus necessary for the supply of electrical energy under this agreement, and shall at all times allow the Chief Engineer and/or his agents, servants, subordinates and workmen with or without tools to inspect and/or work on the said line structures, posts and other apparatus.

5. All 11000 volts services or feeders taken directly from the lines or busbars of the Government shall be suitably protected by the licensee by high tension fuses or automatic oil circuit breakers. The fuses and circuit breakers shall be capable of successfully rupturing the maximum short circuit energy likely to occur at the point of installation. The relay settings and fuse capacity will in each case be specified by the Chief Engineer or his representative.

6. All transformers, switchgear and ohter electrical equipment directly connected to the feeders or lines of the Government shall be of suitable design and be maintained by the licensee to the reasonable satisfaction of the Chief Engineer or his representative.

7. For the purpose of registering the electrical energy taken and the demand in KW or KVA made by the licensee under this agreement there shall be provided by the Government at the point of supply defined in clause 4 hereof one suitable

contd. 4

6

11,000 volts metering equipment which shall be the property of and be kept in repair and calibrated by the Government. Rent will be charged in accordance with the rules from time to time in force in the Department of Electricity of the Government.

8. The licensee may at its own expense install check meters in its feeders at the metering point of the power at Bangalore.

9. The meters shall be properly sealed on behalf of both the parties and shall not be interfered with by either party except in the presence of the other party or the representative duly authorised in that behalf.

10. The readings of the said meters shall be taken by the accredited representatives of the licensee and the Government at or as near noon as practicable on the last day of each calendar month and the readings so taken shall be binding and conclusive between the licensee and the Government as to the amount of electrical energy supplied to the licensee. In the event of any meter being found defective and another meter not having been installed the power consumed for the period during which the meter was defective shall be determined by taking the daily average consumption for the previous period of supply not exceeding three months. (enter)

11. The licensee shall from time to time and at all times on previous notice thereto being given allow the employees of the Government in the Electricity Department to inspect the electrical equipment of the licensee for

vide cl 12 of the standard form

contd.

all or any of the purposes connected with the supply of electrical energy to the licensee under this agreement.

vide cl 13 of the Standard form.

12. Once in every year the meters shall be reclaibrated and standardised if necessary by the Government in the presence of the licensee's representative.

Adjustements in bills will be made for error at average load and power factor of the licensee when the meter is found to be incorrect during annual periodical tests, for a preceding period of three months unless there is evidence for adopting a different period.

vide cl 14 of the Standard form.

13. Either party to this agreement may at any time and after notice to the other party have a special test carried out of all or any of the meters abovementioned at a place to be fixed by mutual agreement. The meter or meters so tested shall be deemed to be correct, if as a result of such test the meter or meters are found to vary within the limits prescribed by the Indian Electricity Rules 1937 or any other statutory modification thereof for the time being in force. If the mean error be found to be more than that prescribed by the said Indian Electricity Rules the Government will deduct from or add to the account of the preceding period of three months or such other period during which the error is known to have existed an amount equivalent to the error. The expenses of such test shall be borne by the Government in the event of the account requiring adjustment as hereinbefore mentioned. If no adjustment of the account is necessary as a consequence of such special test the party at whose instance

contd. 6

the test was conducted shall bear the cost of such test.

14(a) The rates to be charged by the Government at the point of supply under this agreement will be in accordance with the H.T. tariff set out below with an increase of 25 (twenty-five) percent on the unit rate, the demand charge and the maximum overall unit rate:-

Class and total monthly consumption in K.W.L.	Rate per K.W.H. annas.	Rate per K.V.A. of Maximum demand per month.
I. Upto 25,000	0.550	Upto 500 K.V.A. Rs.3-8-0, 500 K.V.A. and over Rs.2-14-0,
II. Exceeding 25,000 and upto 50,000	0.500	
III. ,, 50,000 ,, 100,000	0.450	
IV. ,, 100,000 ,, 150,000	0.425	1000 K.V.A. and over Rs.2-10-0,
V ,, 150,000 ,, 200,000	0.400	
VI. ,, 200,000 ,, 300,000	0.375	
VII. ,, 300,000 ,, 400,000	0.350	
VIII. ,, 400,000 ,, 500,000	0.3375	
IX. ,, 500,000 ,, 750,000	0.3250	
X. ,, 750,000 ,,1000,000	0.3125	
XI. Exceeding 1000,000	0.3000	

At the option of the consumer, the demand may be billed on a K.V.A. basis in which case the above rates will be increased by four annas per month per K.W.

The above tariff is subject to a maximum overall unit charge of 0.75 anna per unit without prejudice to the minimum monthly payment set out in clause 18 and the surcharge specified in sub-clause (c).

contd. 7

(b) The tariffs mentioned in the agreement shall be subject to any revision that may be ordered by the Government from time to time.

(c) The tariffs specified in this clause are subject to all surcharges or any increase or decrease thereof which may be decided on by the Government from time to time on account of abnormal conditions.

vide cl. 16 of the standard form.

15. Should a tariff for power for a similar class of load more favourable than that specified in clause 14 be allowed by the Government in the South Kanara area during the life of this agreement then the licensee shall be entitled to the benefit of such a tariff.

vide cl. 17 of the Standard form.

16. Once during the life of this agreement the licensee on giving the Government six month's notice in writing may change the method of demand laid down in clause 14 from a K.W. to a KVA basis or vice versa.

vide cl. 18 of the Standard form.

17. The For the purpose of this agreement the maximum demand of supply to the licensee for each month shall be the largest total amount of KVA or KW as the case may be delivered to the feeders of the Licensee at the point of supply during any consecutive thirty minutes in the month.

vide cl. 19 of the Standard form.

18. Maximum demand charges for any month and at the point of supply shall be based on the average monthly maximum KW or KVA demand for the previous calendar months commencing from January of each year and ending with the month in question always provided that this average be not less than the average demand chargeable for any previous month in

contd. 8

the calendar year in which case the higher figure will be taken as the basis for payment. For the first calendar year of service the demand charge for any month will be based on the average of monthly demands for all the months commencing with the month of commencement of supply and ending with the month in question with the same proviso as aforementioned. The demand charge for the first month of operation will correspond to the maximum demand for that month.

The demand payment will be a fixed monthly charge whether energy is consumed or not and shall constitute the minimum monthly payment.

19. The Government shall within fifteen days after the expiration of each calendar month deliver to the licensee an account stating the number of units supplied to the licensee by the Government in accordance with the readings of the said meters and the amount payable therefor as also the amount payable in respect of maximum demand charge and other charges if any payable by the licensee to the Government and the licensee shall pay the same within thirty days from the delivery of such account. Provided that the Government shall be at liberty to charge interest at the rate of 12 per cent per annum on the amounts of such bills as are not paid within the above said period of 30 days in addition to and without prejudice to the other rights of the Government herein contained.

20. If the payments herein provided for or any part thereof shall be unpaid for the space of thirty days next after any of the days whereon the same ought to have been paid as aforesaid or if the licensee shall not in all things

contd. 9

perform and observe the conditions herein contained and on the part of the licensee to be observed and performed then and in such case and in addition to any other right or power possessed by the Government, the Government shall be at liberty at any time thereafter notwithstanding that the Government may not have taken advantage of any previous breach or default or event of a like nature at their choice to suspend all further supply of electrical energy under this agreement or to forthwith put an end to these presents by notice in writing and determine this agreement. Such suspension of the supply of electrical energy shall not relieve the licensee of its liability to pay the minimum charge provided for in clause 18 nor shall such determination affect any right claim demand or power which may have accrued to the Government.

Vide 9.4 b^m Standard form.

21. The power factor of the plant and apparatus owned by the licensee at the point of supply shall not be less than 0.8. Should the power factor be below 0.8 it is liable to a penalty of 8 annas per KW of monthly demand while if the power factor drops below 0.7 it must be brought up by methods approved by the Engineers of the Government failing which the service may be discontinued. The power factor shall be that determined during the half hour of maximum demand on any working day in the month. This clause will not be applicable if the demand is determined on KVA basis.

Vide clause 28 of Standard form

22. The Licensee shall when called upon to do so by the Government deposit with the Chief Accountant, Pykara Electricity System, the sum of Rs. /- in cash* as security for the due payment by the licensee of all or any

contd. 10

sum or sums of money which may become due and payable to the Government under these presents. Interest shall be paid on cash deposits at the rate of three per cent per annum or such other rate as may be approved by the Government from time to time, subject to the condition that the amount remains as deposit with the Department. Full calendar months only shall be taken for the purpose of calculating interest, and the interest shall be calculated to the nearest anna.

The interest accruing to the credit of the licensee shall be adjusted once a year in April in the Electricity Supply Bill.

In the event of the licensee failing to pay to the Government all or any sum or sums of money that may become due and payable to the Government under these presents on the dates respectively fixed herein for payment thereof, it shall be lawful for the appropriate officer of the Government, in addition to and without prejudice to the other rights and remedies of the Government arising out of such failure under these presents, to appropriate a part or all of such deposit towards the arrears of the Licensee.

In the event of the security deposited by the Licensee under this clause being at any time diminished by deductions therefrom under the provisions of this clause, it shall be lawful for the appropriate officer of the Government to demand in writing from time to time the payment of such further sum as shall be necessary to bring up the total of the deposit to the sum of Rs. /- provided that it

contd. 11

shall also be lawful for the appropriate offider of the Government at any time and from time to time, if in his opinion the amount already deposited by the Licensee shall not be sufficient, to demand payment from the Licensee of such further sum or sums as he may consider necessary. The Licensee shall pay the sum or sums so demanded under this clause within thirty days from the receipt of such notice. If the Licensee fails to pay the amount within the said period the Government shall give the Licensee seven days notice of their intention to discontinue the supply of electrical energy and at the expiry of that period, if payment has not been received, may forthwith disconnect the supply until payment of this amount and of the charges for disconnection and reconnect is made.

On the termination of these presents the security deppsits or such of them, as have not been appropriated under these presents shall be returned to the licensee.

* NOTE: The Department will accept also security deposits in the shape of the National Savings Certificates and other Government Securites where they are tendered voluntarily in lieu of cash. In such cases no interest shall be paid by the Department.

Vide Cl. 26 & the Standard form on p45 of Appx XI of M(E) Manual Vol II

23. In the event of the Licensee requiring a power demand in excess of 1000 KW, the licensee shall give the Government, twelve month's notice in writing stating the quantity of energy required, which demand shall be complied with if such additional energy is available for supply by the Government and subject to such sanction of Government as

contd. 12

27. In order to ensure effective observance of and compliance with the provisions of section 57 of and the Sixth Schedule to the Electricity(Supply) Act 1948, by the licensee the licensee shall submit to the Chief Electrical Inspector to Government within three months of the commencement of each financial year a statement of the financial restuls of the Electrical undertaking for the previous year and the forecast for the current year in the prescribed form together with proposals, if any, for the modification of rates for the sale of energy to Consumers.

In proposing the modifications the tariff schedule of the Government Electricity Department applicable to the area nearest to the Licensee's area in which distribution is done by the Government may be kept in need.

28. The utilisation of clear profits in any year, creation of and contribution to reserve and allowances for depreciation of fixed assets in each year by the licensee shall conform to the provisions of the Sixth and Seventh schedules to the Electricity (Supply) Act, 1948.

29. The Licensee shall lay down suitable and sufficient additional transmission lines, feeders, and distributing mains as may be required to effect supply to every applicant, village or Community within the licenced area provided a gross revenue of 15 (fifteen) per cent per annum on the capital expenditure incurred by the licensee is forthcoming.

30. Any dispute or difference arising between the licensee and the Government or their respective electrical engineers as to the supply of electrical energy hereunder

contd 14

16

or the pressure thereof or as to the rates of supply or as to the interpretation of this agreement or the rights of the Government or the Licensee respectively to determine the same or any other question matter or thing arising hereunder shall be referred to a single arbitrator who shall be mutually agreed upon by both parties. The arbitrator's decision thereon shall be final and the provisions of the Arbitration Act 1940 or any statutory modification thereof for the time being in force shall apply to any such reference.

Upon every or any such reference the costs of and incidental to the reference and award respectively shall be in the discretion of the arbitrator subject to the condition that the amount of such costs awarded to either party shall not in respect of a monetary claim exceed the percentage set out below of any such award, irrespective of the actual fees costs and expenses incurred by either party, provided that where a monetary claim is disallowed in full the said percentage shall be calculated on the amount of the claim. The arbitrator may determine the amount of the costs to be awarded or direct the same to be taxed as between solicitor and client or as between party and party and shall direct by whom and to whom and in what manner the same shall be borne and paid.

The percentages referred to in this clause are five per cent of any such monetary award which does not exceed

contd. 15

Rs.10,000; three per cent on the next Rs.40,000 or any part thereof, two per cent on the next Rs.50,000 or any part thereof and one per cent on any excess over Rs.1,00,000.

IN WITNESS WHEREOF the Chief Engineer for Electricity to the Government of Madras acting for and on behalf of and by the order and direction of the Governor of Madras, and for and on behalf of the Mangalore Electric Supply Company Limited have hereunto set their signatures and the common seal of the Mangalore Electric Supply Company Limited has been hereunto affixed.

Signed by theabovenamed.
in the presence of:-

CHIEF ENGINEER FOR ELECTRICITY.

Signed by the abovenamed
in the presence of.

MANAGING DIRECTOR.

The common seal of the Mangalore Electric Supply Company Limited was hereunto affixed in the presence of.

1.

Clear copy in p. 21 infra. 19

P.W.D. (P-2)

Memo No. 1543 P/56-1 dt. 3.5.56

Sub: Elec. Supply of Jog power to Mangalore Distribution by the Mangalore Licensee Agreement.

Ref: From the C.E.(E) dy. no. 220 E 56-3 dated 13-3-56.

The C.E.(E) is requested to state whether the bulk supply of Jog power by the Mysore Govt will be available to this Govt. before 1-10-1956, the appointed date for the Reorganisation of States.

2. If the Jog power supply will not be available before 1-10-56, it has been suggested that it will not be necessary for this Govt. to approve the draft agreement submitted by the C.E.(E) with his letter cited as the Mangalore Licensee's area would go over to the Mysore State according to States Reorganisation proposal. The C.E.(E) is requested to offer his remarks on the above suggestion

1.5.56

To the C.E.(E).

Copy to him

PUBLIC WORKS DEPARTMENT.

Memo. No. 1543 P/56-1 dated 3.5.1956.

Sub:- ELECTRICITY - Supply of Jog Power to Mangalore - Distribution by the Mangalore Licensee Agreement.

Ref:- From the Chief Engineer (Electricity) letter No. 220 E/56-3 dated 13.3.1956.

The Chief Engineer (Electricity) is requested to state whether the bulk supply of Jog Power by the Mysore Government will be available to this government before 1-10-1956, the appointed date for the Reorganisation of States.

2. If the Jog Power supply will not be available before 1.10.1956, it has been suggested that it will not be necessary for this government to approve the draft agreement submitted by the Chief Engineer (Electricity) with his letter cited, as the Mangalore Licensee's area would go over to the Mysore State according to the States Re-organisation proposals. The Chief Engineer (Electricity) is requested to offer his remarks on the above suggestion.

K. Sankunni Menon,
ASST. SECRETARY TO GOVERNMENT.

To the Chief Engineer (Electricity)

FORWARDED : BY ORDER

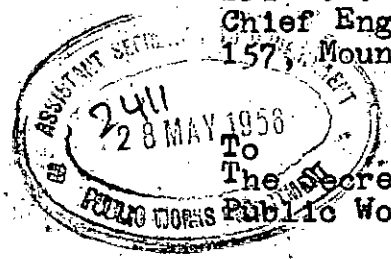
TVJ 4.5

SUPERINTENDENT.

23

GOVERNMENT ELECTRICITY DEPARTMENT

From
Sri M.B.Kandaswamy, B.A., B.E., M.E.(Hons), M.I.E.(Ind.
Chief Engineer for Electricity-in-charge,
157, Mount Road, Madras.



To
The Secretary to Government,
Public Works Department, Madras-9.

No.220-E/56-6 Dated 21-5-'56.

Sir,

Sub:- Electricity - Supply of Jog power to Mangalore Distribution by the Mangalore Licensee - Agreement.

Ref:- Govt. Memo.No.1543-P/56-1 dated 3-5-56.

The Chief Engineer, Government of Mysore was requested early in April '56 by telegram and D.O. to intimate approximate date of availability of supply and his reply thereon is awaited. He is being reminded.

2. Even assuming that Jog power is not likely to be available by 1-10-56 it seems desirable to proceed with negotiations for the bulk supply agreement to avoid any delay in Jog supply being available in the area on this account.

for Chief Engineer (Electricity)

rr/23/5/-

GOVERNMENT ELECTRICITY DEPARTMENT

ASSISTANT SECRETARY TO GOVERNMENT
8 - JUN 1956
589

From Sri M.B.Kandaswami, B.A., B.E., M.E.(Lons), M.I.E.(Ind),
Chief Engineer for Electricity (in charge),
157, Mount Road, Madras.

To

The Secretarty to Government,
Public Works Department, Madras.

No.220 E/56-9 dated 4-6-56.

Sir,

Sub;- Electricity- Supply of Jog Power to Mangalore Distribution by the Mangalore Licensee- Agreement

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p. 23 ante Ref:- My letter No.220 E/56-6 dated 21-5-56.

As Jog power is likely to become available for distributic in South Kanara District by about the end of this month, I request early approval of Government to the draft agreement sent with my letter No.220 E/56-3 dated 13-3-56.

3-17 ante 1 ante

For Chief Engineer for Electricity.

VAG.4/6.

4/6

Special.
Immediate
By Special Messenger

Memo No. 1543-P/56-3 dt. 13.6.56

Sub: Fleey - Supply of Jog power to Mangalore - Distribution by the Mangalore Licensee. Draft agreement.

P. 1 cf.

Ref: From the C.E.(E) dr. No. 220 E/56-3 dated 13-3-56.

The C.E.(E) is requested to send a copy of the draft agreement forwarded with his letter cited (together with copies of relevant papers, if any) to the Assistant Govt. Pleader for scrutiny and submit to Govt two copies of the draft agreement as settled by the A.G.P.

P. 3-17 cf.

Done by SM/Mes 9/11/56

To the C.E.(E).

13.6.56.

13/6/56

13/6/56

29

IMMEDIATE
BY SPECIAL MESSENGER.

GOVERNMENT ELECTRICITY DEPARTMENT

From

Sri V.P. Appadurai, B.A., B.I.E.(Ind.).,
Chief Engineer for Electricity,
157, Mount Road, Madras-2.

To

The Secretary to Government,
Public Works Department, Madras-9

Letter No.220.E/56-16. dated 22-6-56.

Sub: Electricity - Supply of Jog Power to the Mangalore Electric Supply Corporation Ltd. - Agreement.

Ref: Government Memorandum No.1543.P/56-3. dated 13-6-56.

ASSISTANT SECRETARY TO GOVT. 29 JUN 1956 PUBLIC WORKS DEPARTMENT

p. 27 ante

pp. 31-45 infra

I forward herewith copy of the draft agreement as settled by the Assistant Government Pleader for favour of approval of Government.

for CHIEF ENGINEER FOR ELECTRICITY.

pp. 31-45 infra

Encl: Draft agreement.

PKA.22/6

22/6/56

behalf without the previous written sanction of the Chief Engineer. The licensee shall tap such lines for the purpose of obtaining a supply of electrical energy only with the previous written sanction of the Chief Engineer. The licensee shall permit the Govt. free of cost the use of undertakes to grant free of cost to the Government permission to use all or any land belonging to the Licensee which may be required for erecting the posts, transmission line structures and other apparatus necessary for the supply of electrical energy under this agreement, and shall at all times allow the Chief Engineer and/or his agents, servants, subordinates and workmen with or without tools to inspect and/or work on the said line structures, posts and other apparatus.

5. All 11000 volts services of feeders taken directly from the lines or busbars of the Government shall be suitably protected by the licensee by high tension fuses or automatic oil circuit breakers. The fuses and circuit breakers shall be capable of successfully rupturing the maximum short circuit energy likely to occur at the point of installation. The relay settings and fuse capacity will in each case be specified by the Chief Engineer or his representative.

6. All transformers, switchgear and other electrical equipment directly connected to the feeders or lines of the Government shall be of suitable design and be maintained by the licensee to the reasonable satisfaction of the Chief Engineer or his representative.

7. For the purpose of registering the electrical energy taken and the demand in KW or KVA made by the licensee under this agreement there shall be provided by the Government at the point of supply defined in clause 4 hereof one suitable

contd..4...

11,000 volts metering equipment [illegible] of and be kept in repair and calibrated by the Government. Deterrent will be charged in accordance with the rules from time to time in force in the Department of Electricity of the Government.

8. The licensee may at its own expense install check meters in its feeders at the metering point of the Government at Mangalore.

9. The meters shall be properly sealed on behalf of both the parties and shall not be interfered with by either party except in the presence of the other party or its representative duly authorised in that behalf.

10. The readings of the said meters shall be taken by the accredited representatives of the licensee and the Government at or as near noon as practicable on the last day of each calendar month and the readings so taken shall be binding and conclusive between the licensee and the Government as to the amount of electrical energy supplied to the licensee. In the event of any meter being found defective and a check meter not having been installed the power consumed for the period during which the meter was defective shall be determined by taking the daily average consumption for the previous period of supply not exceeding three months.

11. The licensee shall from time to time and at all times on previous notice thereto being given allow the employees of the Government in the Electricity Department to inspect the electrical equipment of the licensee for

contd...5....

all or any of the purpose connected with the supply of electrical energy to the licensee under this agreement.

12. Once in every year the meters shall be recalibrated and standardised if necessary by the Government in the presence of the licensee's representative.

Adjustments in bills will be made for error at average load and power factor of the licensee when the meter is found to be incorrect during the annual periodical tests, for a preceding period of three months unless there is evidence for adopting a different period.

13. Either party to this agreement may at any time and after notice to the other party have a special test carried out of all or any of the meters above mentioned at a place to be fixed by mutual agreement. The meter or meters so tested shall be deemed to be correct, if as a result of such test the meter or meters are found to vary within the limits prescribed by the Indian Electricity Rules 1937 or any other statutory modification thereof for the time being in force. If the mean error be found to be more than that prescribed by the said Indian Electricity Rules the Government will deduct from or add to the account of the preceding period of three months or such other period during which the error is known to have existed an amount equivalent to the error. The expenses of such test shall be borne by the Government in the event of the account requiring adjustment as hereinbefore mentioned. If no adjustment of the account is necessary as a consequence of such special test the party at whose instance

contd..6..

the test was conducted shall bear the cost of such test.

14(a) The rates to be charged by the Government at the point of supply under this agreement will be in accordance with the L.T. tariff set out below with an increase of 25 (twenty five) percent on the unit rate, the demand charge and the maximum overall unit rate:-

Class and total monthly consumption in K.W.H.			Rate per K.W.H. anna.		Rate per K.V.A. of maximum demand per month.
I. Upto 25,000			0.550		upto 500 KVA Rs.3-2-0
II. Exceeding 25,000	and upto	50,000	0.500	P	500 KVA and over Rs.2-14-0.
III. " 50,000	100,000		0.450		1000 KVA and over Rs.2-10-0.
IV. " 100,000	150,000		0.425	L	
V. " 150,000	200,000		0.400	U	
VI. " 200,000	300,000		0.375		
VII. " 300,000	400,000		0.350	S	
VIII. " 400,000	500,000		0.3375		
IX. " 500,000	750,000		0.3250		
X " 750,000	1000,000		0.3125		
XI. Exceeding 1000,000			0.3000		

At the option of the consumer, the demand may be billed on a K.W. basis in which case the above rates will be increased by four annas per month per K.W.

The above tariff is subject to a maximum overall unit charge of 0.75 anna per unit without prejudice to the minimum monthly payment set out in clause 18 and the surcharge specified in sub-clause (c).

contd...7...

(b) The tariffs mentioned in the agreement shall be subject to any revision that may be ordered by the Government from time to time.

(c) The tariffs specified in this clause are subject to all surcharges or any increase or decrease thereof which may be decided on by the Government from time to time on account of abnormal conditions.

15. Should a tariff for power for a similar class of load more favourable than that specified in clause 14 be allowed by the Government in the South Kanara area during the life of this agreement then the licensee shall be entitled to the benefit of such a tariff.

16. Once during the life of this agreement the licensee on giving the Government six month's notice in writing may change the method of demand laid down in clause 14 from a K.W. to a KVA basis or vice versa.

17. For the purpose of this agreement the maximum demand of supply to the licensee for each month shall be the largest total amount of KVA or KW as the case may be delivered to the feeders of the Licensee at the point of supply during any consecutive thirty minutes in the month.

18. Maximum demand charges for any month and at the point of supply shall be based on the average monthly maximum KW or KVA demand for the previous calendar months commencing from January of each year and ending with the month in question always provided that this average be not less than the average demand chargeable for any previous month in

contd...8...

the calendar year in which case the higher figure will be taken as the basis for payment. For the first calendar year of service the demand charge for any month will be based on the average of monthly demands for all the months commencing with the month of commencement of supply and ending with the month in question with the same previso as aforementioned. The demand charge for the first month of operation will correspond to the maximum demand for that month.

The demand payment will be a fixed monthly charge whether energy is consumed or not and shall constitute the minimum monthly payment.

19. The Government shall within fifteen days after the expiration of each calendar month deliver to the licensee an account stating the number of units supplied to the licensee by the Government in accordance with the readings of the said meters and the amount payable therefore as also the amount payable in respect of maximum demand charge and other charges if any payable by the licensee to the Government and the licensee shall pay the same within thirty days from the delivery of such account. Provided that the Government shall be at liberty to charge interest at the rate of 12 per cent per annum on the amounts of such bills as are not paid within the above said period of 30 days in addition to and without prejudice to the other rights of the Government herein contained.

20. If the payments herein provided for or any part thereof shall be unpaid for the space of thirty days next after any of the days whereon the same ought to have been paid as aforesaid or if the licensee shall not in all things-

contd...9...

perform and observe the conditions herein contained and on the part of the licensee to be observed and performed then and in such case and if in addition to any other right or power possessed by the Government, the Govt shall be at liberty at any time thereafter notwithstanding that the Government may not have taken advantage of any previous breach or default or event of a like nature at their choice to suspend all further supply of electrical energy under this agreement or to forthwith put an end to these presents by notice in writing and determine this agreement. Such suspension of the supply of electrical energy shall not relive the licensee of its liability to pay the minimum charge provided for in clause 18 nor shall such determination affect any right claim demand or power which may have accrued to the Government.

21. The power factor of the plant and apparatus owned by the licensee at the point of supply shall not be less than 0.8. Should the power factor be below 0.8 it is liable to a penalty of 8 annas per KW of monthly demand while if the power factor drops below 0.7 it must be brought up by methods approved by the Engineers of the Government failing which the service may be discontinued. The power factor shall be that determined during the half hour of maximum demand on any working day in the month. This clause will not be applicable if the demand is determined on KVA basis.

22. The Licensee shall when called upon to do so by the Government deposit with the Chief Accountant, Pykara Electricity System, the sum of Rs. ... /- in cash* as security for the due payment by the licensee of all or any

Contd.10

sum or sums of money which may become due to pay to the Government under these presents. Interest shall be on cash deposits at the rate of three per cent per annum or such other rate as may be approved by the Government from time to time, subject to the condition that the amount remains at deposit with the Department. Full calendar months only shall be taken for the purpose of calculating interest, and the interest shall be calculated to the nearest anna.

The interest accruing to the credit of the licensee shall be adjusted once a year in April in the Electricity Supply Bill.

In the event of the licensee failing to pay to the Government all or any sum or sums of money that may become due and payable to the Government under these presents on the dates respectively fixed herein for payment thereof, it shall be lawful for the appropriate officer of the Government, in addition to and without prejudice to the other rights and remedies of the Government arising out of such failure under these presents, to appropriate a part or all of such deposit towards the arrears due by the Licensee.

In the event of the security deposited by the Licensee under this clause being at any time diminished by deductions therefrom under the provisions of this clause, it shall be lawful for the appropriate officer of the Government to demand in writing from time to time the payment of such further sum as shall be necessary to bring up the total of the deposit to the sum of Rs. /- provided that it

shall also be lawful for the appropriate officer of the Government at any time and from time to time if in his opinion the amount already deposited by the Licensee shall not be sufficient, to demand payment from the Licensee of such further sum or sums as he may consider necessary. The Licensee shall pay the sum or sums so demanded under this clause within thirty days from the receipt of such notice. If the Licensee fails to pay the amount within the said period the Government shall give the Licensee seven days notice of their intention to discontinue the supply of electrical energy and at the expiry of period, if payment has not been received, may forthwith the supply until payment of this amount and of the charg for disconnection and reconnection is made.

On the termination of these presents the security deposits or such of them as have not been appropriated under these presents shall be returned to the licensee.

*NOTE: The Department will accept also security deposits in the shape of the National Savings Certificates and other Government Securities where they are tendered voluntarily in lieu of cash. In such cases no interest shall be paid by the Department.

23. In the event of the Licensee requiring a power demand in excess of 1000 KW the licensee shall give the Government, twelve month's notice in writing stating the quantity of energy required, which demand shall be complied with if such additional energy is available for supply by the Government and subject to such sanction of Government as

may be necessary under the Restriction and Control orders.

24. This agreement shall subject as hereinbefore provided be and remain in force for a period of five years from the date of commencement of supply of the expiry of the three months notice regarding availability of supply referred to in clause 1, or until the licensee's electrical undertaking is acquired under the Madras Electricity Undertakings (Acquisition) Act, 1954 whichever is earlier, but without prejudice to the rights and remedies, if any, of either party against the other of them which may have accured or arisen hereunder in the meantime.

25. Unless sanctioned due to special conditions no squirrel cage motors of over 50 horse power capacity will be permitted on the distribution system of the licensee and the starting current of each squirrel cage motor shall not exceed 200 per cent of the normal full load current. Squirrel cage motors not exceeding 20 horse power will be permitted on the licensee's system if used with star delta starters.

The starting of slip ring or other motors of over 50 horse power capacity shall be by means of suitable appliances so designed that the starting-current at any time does not exceed 125 per cent normal full load current.

26. The rates for supply of electrical energy and all miscellaneous charges to be collected by the licensee from its consumers shall be in accordance with the provisions of section 57 of and the Sixth Schedule to the Electricity (Supply) Act 1948 and rules thereunder for the time being in force.

27. In order to ensure effective observance of and compliance with the provisions of section 57 of and the Sixth Schedule to the Electricity(Supply) Act 1948, by the licensee, the licensee shall submit to the Chief Electrical Inspector to Government within three months of the commencement of each financial year a statement of the financial results of the Electrical undertaking for the previous year and the forecast for the current year in the prescribed form together with proposals, if any, for the modification of rates for the sale of energy to Consumers.

In proposing the modifications the tariff schedule of the Government Electricity Department applicable to the area nearest to the Licensee's area in which distribution is done by the Government may be kept in view need.

28. The utilisation of clear profits in any year, creation of and contribution to reserve and allowances for depreciation of fixed assets in each year by the licensee shall conform to the provisions of the Sixth and Seventh schedules to the Electricity(Supply) Act, 1948.

29. The Licensee shall lay down suitable and sufficie additional transmission lines, feeders, and distributing mains as may be required to affect supply to every applicant village or community within the licenced area provided a gross revenue of 15(fifteen) per cent per annum on the capital expenditure incurred by the licensee is forthcoming.

30. Any dispute or difference arising between the licensee and the Government or their respective electrical engineers as to the supply of electrical energy hereunder

or the presure thereof or as to the rates of supply or as to the interpretation of this agreement or the right of the Government or the Licensee respectively to determine the same or any other question matter or thing arising hereunder shall be referred to a single arbitrator who shall to mutually agreed upon by both parties. The arbitrator's decision thereon shall be final and the provisions of the Arbitration Act 1940 or any statutory modification thereof for the time being in force shall apply to any such reference.

Upon every or any such reference the costs of and incidental to the reference and award respectively shall be in the discretion of the arbitrator subject to the condition that the amount of such costs to be awarded to either party shall not in respect of a monetary claim exceed the percentage set out below of any such award, irrespective of the actual fees, costs and expenses incurred by either party, provided that where a monetary claim is disallowed in full the said percentage shall be calculated on the amount of the claim. The arbitrator may determine the amount of the costs to be awarded or direct the same to be be taxed as between solicitor and client or as between party and party and shall direct by whom and to whom and in what manner the same shall be borne and paid.

The percentages referred to in this clause are five per cent of any such monetary award which does not exceed

Rs.10,000, three per cent on the next Rs.40,000 ~~per~~ or any part thereof, two per cent on the next Rs.50,000 or any part thereof and one per cent on any excess over Rs.1,00,000.

IN WITNESS WHEREOF

Chief Engineer for Electricity to the Government of Madras acting for and on behalf of and by the order and direction of the Governor of Madras, and

for and on behalf of the Mangalore Electric Supply Company Limited have hereunto set their signatures and the common seal of the Mangalore Electric Supply Company Limited has been hereunto affixed.

Signed by the above-named
in the presence of:

CHIEF ENGINEER FOR ELECTRICITY.

Signed by the above-named
in the presence of:

MANAGING DIRECTOR.

1.

2.

The common seal of the Mangalore Electric Supply Company Limited was hereunto affixed in the presence of:

1.

2.

Sub: Elec'y - Supply of Jog power to Mangalore - Distribution by the Mangalore Licensee - Draft agreement: Approved.

pp 1-3 cf of L.F (2609-P/56) p 29 cf.

Ref: From the C.E.(E) dr. No. 220 E/56-12 dated 5-6-56.
From the C.E.(E) dr. No. 220 E/56-16 dated 22-6-56.

pp 31-45 cf.

G.O. Ms. No. 3028 dated 6.7.56

The Govt. approve the draft agreement for bulk supply of Jog power to the Mangalore Electric Supply Company Ltd., for distribution in its licensed area of supply submitted by the C.E.(E) as appended to these proceedings.

2. The action of the C.E.(E) in having forwarded a copy of the draft agreement to the licensee for acceptance pending approval of Govt. is ratified. The Govt. also approve the C.E.(E)'s action in having advised the licensee to make all arrangements at their end to receive the bulk supply as soon as the Dept. is in a position to give it and to

para 3, p 1 cf of L.F.
Vide D in p.1 N.F. of L.F.

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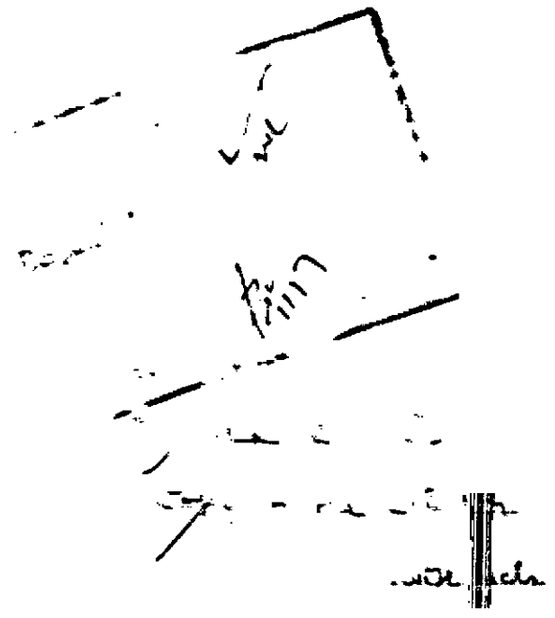
give in writing a provisional acceptance of the terms for the supply pending execution of the agreement.

2. The C.E.E. is requested to forward to the Government in due course a copy of the agreement in its final settled form.



5/7/56 6/7/56 June 6.7.56

Appendix

"H.F... pp. 31-45 of as amended"

5.7.56. 5/7/56 6/7/56.

June 6.7.56

(Abstract)

ELECTRICITY - Supply of Jog power to Mangalore - Distribution by the Mangalore Licensee - Draft agreement - Approved.

Public Works Department

G.O.Ms.No.3028. Dated 6th July 1956
Read the following:-

From the Chief Engineer (Electricity) letter No.220 E/56-12 dated 5-6-1956.
From the Chief Engineer (Electricity) letter No.220 E/56-16 dated 22-6-1956.

ORDER:

The Government approve the draft agreement for bulk supply of Jog power to the Mangalore Electric Supply Company Limited for distribution in its licensed area of supply submitted by the Chief Engineer (Electricity) as appended to these proceedings.

2. The action of the Chief Engineer (Electricity) in having forwarded a copy of the draft agreement to the licensee for acceptance, pending approval of Government is ratified. The Government also approve the Chief Engineer (Electricity)'s action in having advised the licensee to make all arrangements at his end to receive the bulk supply as soon as the Department is in a position to give it and to give in xix writing a provisional acceptance of the terms for the supply pending exectuion of the agreement.

3. The Chief Engineer (Electricity) is requested to forward to the Government in due course a copy of the agreement as finally executed.

(BY ORDER OF THE GOVERNOR)

S.K.Chettur,
Secretary to Government.

To The Chief Engineer (Electricity).
Copy to the Chief Electrical Inspector to Government.

True Copy/Forwarded/By order

pss.8.7. Superintendent.

APPENDIX.

p.t.o.

A P P E N D I X

AGREEMENT MADE THIS day of One thousand nine hundred and fifty between the Governor of Madras (which expression shall ~~where the context so admits~~ include his successors in office and assigns) of the One part and the Mangalore Electric Supply Company Limited, a company registered under the Indian Companies Act 1913, and having its registered office at Calcutta (hereinafter called the licensee, which expression shall where the context so admits include its successors and permitted assigns) of the other part.

WHEREAS the licensee has requested the Government of Madras (hereinafter referred to as the Government) to furnish it a supply of electric energy in bulk at Mangalore for the purpose of distribution in the area fixed by the Mangalore Electric Licence and any subsequent modifications thereof (hereinafter called the "Licence") and the Government have agreed to afford such supply to the Licensee on the terms and conditions hereinafter contained.

NOW IT IS HEREBY DECLARED AND AGREED AS FOLLOWS:

1. Subject to the provisions hereinafter contained and during the continuance of this agreement the Government shall supply and the Licensee shall close down its generating station and shall not use it except as a standby, but shall take from the Government as and from a date not later than three months from the date on which intimation is received in writing by the Licensee from the Government that a supply of electrical energy is available under this agreement all such electrical energy as the Licensee may require for the purpose of supply by the Licensee under the powers contained in the said licence or for any other purpose for which the licensee may require such energy.

2. The energy supplied to the Licensee by the Government shall be on the three phase fifty cycle alternating current system at a normal pressure of 11,000 volts. The frequency and pressure of the electrical energy at the point of supply

shall be subject to the fluctuations that are ordinary, usual and incidental to the generation and transmission of electrical energy, but such fluctuations shall not except owing to extra-ordinary reasons beyond the Control of the Government be more than four percent on the frequency and 12½% on the pressure. The licensee agrees that all its 11000 volts step-down transformers shall be delta connected on the high-tension side and Y connected on the low-tension side.

3. Save as provided herein the supply shall be available continouously except in cases of a lockout or strike of the employees of the Government, breakdown of machinery or plant, force majeure or any other cause over which the Government have no control in any of which cases the Government shall not be responsible for any discontinuance of energy but they shall restore the supply as soon as they reasonably can.

4. The point of supply shall be at the Licensee's Power House at Mangalore, but the Government will construct at their cost a 11 K.V. line from their Sub-Station at Mangalore upto the Licensee 's Power House. This line shall remain the sole property of the Government, but the licensee shall undertake the operation and maintenance of the said line at its own cost to the reasonable satisfaction of the Chief Engineer, for Electricity to the Government (hereinafter called the 'Chief Engineer').

The Lincesee will indemnify the Government against all loss or damage caused on account of his negligence or wrongful act or omission, to the lines, posts and/or other articles and things in the said line or out of which the said line may be constructed, and no alteration in or addition to such lines and /or posts shall be made by the licensee or in its behalf without the previous written sanction of the Chief Engineer. The licensee shall tap such lines for the purpose of obtaining a supply of electrical energy only with the previous written sanction of the Chief Engineer. The Licensee shall permit the ~~State~~ Government free of cost the use of

all or any load belonging to the Licensee which may be required for erecting the posts, transmission line structures and other apparatus necessary for the supply of electrical energy under this agreement, and ~~shall~~ shall at all times allow the Chief Engineer and/or his agents, servants, subordinates and workmen with or without tools to inspect and/or work on the said line structures, posts and other apparatus.

5. All 11000 volts services or feeders taken directly from the lines or busbars of the Government shall be suitably protected by the ~~licence~~ licensee by high tension fuses or automatic oil circuit breakers. The ~~fuses~~ fuses and circuit breakers ~~shall~~ shall be capable of successfully rupturing the maximum short circuit energy likely to occur at the point of installation. The relay settings and fuse capacity will ~~be~~ in each case be specified by the Chief Engineer or his representative.

6. All transformers, switchgear and other eletrical equipment directly connected to the feeders or lines of the Government shall be of suitable design and be maintained by the licensee to the reasonable satisfaction of the Chief Engineer (or his representative).

7. For the purpose of registering the electrical energy taken and the demand in KW or KVA made by the licensee under this agreement there shall be provided by the Government at the point of supply defined in clause 4 hereof one suitable 11,000 volts metering equipment which shall be the property of and be kept in repair and calibrated by the Government. Meter rent will becharged in accordance with the rules from time to time in force in the Department of Electricity of the Government.

8. The ~~licensee~~ licensee may at its own expense install check meters in its feeders at the metering point of the Government at Mangalore.

9. The meters shall be properly sealed on behalf of both the parties and shall not be interfered with by either party except

in the presence of the other party or its representative duly authorised in that behalf.

10. The readings of the said meters shll be taken by the accredited representatives of the licensee and the Government at or as near noon as practicable on the last day of each calendar month and the readings so taken shall be binding and conclusive between the licensee and the Government as to the amount of electrical energy supplied to the licensee. In the event of any meter being found defective and a check meter not having been installed the power consumed for the period during which the meter was defective shall be determined by taking the daily average consumption for the previous period of supply not exceeding three months.

11. The ~~licensee~~ licence shall from time to time and at all times on previous notice thereto being given allow the employees of the Government in the Electricity Department to inspect the eletrical equipment of the licensee for all or any of the purpose connected with the supply of electrical energy to the licensee under this agreement.

12. Once in every year the meters shall be reclaibrated and standardised if necessary by the Government in the presence of the licensee's representative.

Adjustments in bills will be made for error at average load and power factor of the licensee when the meter is found to be incorrect during the annual periodical tests, for a preceding period of three months unless there is evidence for adopting a different period.

13. Either party to this agreement may at any time and after notice to the other party have a special test carried out of all or any of the meters above mentioned at a place to be fixed by mutual agreement. The meter or meters so tested shall be deemed to be correct, if as a result of such test the meter or mete are found to vary within the limits prescribed by the Indian Electricity Rules 1937 or any other statutory modification thereof for the time being in force. If the mean error be found to be more

than that prescribed by the said Indian Electricity Rules the Government will deduct from or add to the account of the preceding period of three months or such other period during which the error is known to have existed an amount equivalent to the error. The expenses of such test shall be borne by the Government in the event of the account requiring adjustment as hereinbefore b mentioned. If no adjustment of the account is necessary as a consequence of such special test the party at whose instance the test was conducted shall bear the cost of such test.

14(a) The rates to be charged by the Government at the point of supply under this agreement will be in accordance with the H.T. tariff set out below with an increase of 25 (twenty five) percent on the unit rate, the demand charge and the maximum overall unit rate:-

Class and total monthly consumption in K.W.H.	Rate per K.W.H. anna.	Rate per K.V.A. of maximum demand permonth.
I. Upto 25,000	0.550	upto 500 KVA Rs.3-2-0
II. Exceeding 25,000 and upto 50,000	0.500	500 KVA and over Rs.2-14-0
III. " 50,000 100,000	0.450	1000 KVA and over Rs.2-10-0
IV. " 100,000 150,000	0.425	
V. " 150,000 200,000	0.400	
VI. " 200,000 300,000	0.375	
VIIX. " 300,000 400,000	0.350	
VIII. " 400,000 500,000	0.3375	
IX. " 500,000 750,000	0.3250	
X. " 750,000 1000,000	0.3125	
XI.Exceeding 1000,000	0.3000	

P L U S

At ~~kkexp~~ the option of the consumer, the demand may be billed on a K.W. basis in which case the above rates will be increased by four annas per month per K.W.

The above tariff is subject to a maximum overall unit charge of 0.75 anna per unit without prejudice to the minimum monthly payment set out in clause 18 and the surcharge specified in sub-clause(a).

(b) The tariffs mentioned in the agreement shall be subject to any revision that may be ordered by the Government from time to time.

(c) The tariffs specified in this clause are subject to all surcharges or any increase or decrease thereof which may be decided on by the Government from time to time.

15. Should a tariff for power for a similar class of load more favourable than that ~~xxx~~ specified in clause 14 be allowed by the Government in the South Kanara ~~area~~ during the life of this agreement then the licensee shall be entitled to the benefit of such a tariff.

16. Once during the life of this agreement the licensee on giving the Government six month's notice in writing may change the method of demand laid ~~xx~~ down in clause 14 from a k.w.h. a K.V.A. basis or vice versa.

17. For the purpose of this agreement the maximum demand of supply to the licensee for each month shall be the largest total amount of K.V.A. or KW as the case may be delivered to the feeders of the Licensee at the point of supply during any consecutive thirty minutes in the month.

18. Maximum demand charges for any month and at the point of supply shall be based on the average monthly maximum KW or KVA demand for the previous calendar months commencing from January of each year and ending with the month in question always provided that this average by not less than the average demand chargeable for any previous month in the calendar year in which case the higher figure will be taken as the basis for payment. For the first calendar year of service the demand charge for any month will be based on the average of monthly demands for all the months commencing with the month of commencement of supply and ending with the month in question with the same proviso as ~~xxx~~ aforementioned. The demand charge for the first month of operation will correspond to the maximum demand for that month.

The demand payment will be a fixed monthly charge whether energy is consumed or not and shall constitute the minimum monthly payment.

19. The Government shall within fifteen days after the expiration of each calendar month deliver to the licensee on account stating the number of units supplied to the licensee by the Government in accordance with the readings of the said meters and the amount payable therefor as also the amount payable in respect of maximum demand charge and other charges if any payable by the licensee to the Government and the licensee shall pay the same within thirty days from the delivery of such account. Provided that the Government shall be at liberty to charge interest at the rate of 12 per cent per annum on the amounts of such bills as are not paid within the above said period of 30 days in addition to and without prejudice to the other rights of the Government herein contained.

20. If the payments herein provided for or any part thereof shall be unpaid for the space of thirty days next after any of the days whereon the same ought to have been paid as aforesaid or if the licensee shall not in all things perform and observe the conditions herein contained and on the part of the licensee to be observed and performed then and in such case and in addition to any other right or power possessed by the Government , the Government shall be at liberty at any time thereafter notwithstanding that the Government may not have taken advantage of any previous breach or default or event of a like nature, at their choice to suspend all further supply of electrical energy under this agreement or to forthwith put an end to these presents by notice in writing and determine this agreement. Such suspension of the supply of electrical energy shall not relieve the licensee of its liability to pay the minimum charge provided for in clause 18 nor shall such determination affect any right claim demand or power which may have accrued to the Government

21. The power factor of the plant and apparatus owned by the licensee at the point of supply shall not be less than 0.8 . Should the power factor be below 0.8 it is liable to a penalty of 8 annas per KW of monthly demand while if the power factor drops below 0.7 it must be brought up by methods approved by the Engineers of the Government failing which the service may be discontinued. The power factor shall be that determined during the half hour of maximum demand on any working day in the month. This clause will not be applicable if the demand is determined on KVA basis.

22. The Licensee shall when called upon to do so by the Government deposit with the Chief Accountant, Pykara Electricity System, the sum of Rs. /- in cash * as security for the due payment by the licensee of all or any sum or sums of money which may become due and payable to the Government under these presents. Interest shall be paid on cash deposits at the rate of three per cent per annum or such other rate as may be approved by the Government from time to time, subject to the condition that the amount remains as deposit within the Department. Full calendar months only shall be taken for the purpose of calculating interest, and the interest shall be calculated to the nearest anna.

The interest accruing to the credit of the licensee shall be adjusted once a year in April in the Electricity Supply Bill.

In the event of the licnesee failing to pay to the Government all or any sum or sums of money that may become due and payable to the Government under these presents on the dates respectively fixed herein for payment thereof, it shall be lawful for the appropriate officer of the Government, in addition to and without prejudice to the other rights and remedies of the Government arising out of such failure under these presents, to appropriate a part or all of such deposit towards the arrears due by the Licensee.

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In the event of the security deposited by the Licensee under this clause being at any time diminished by deductions therefrom under the provisions of this clause, it shall be ~~already~~ lawful for the appropriate officer of the Government to demand in writing from time to time the payment of such further sum as shall be necessary to bring up the total of the deposit to the sum of Rs. /- provided that it shall also be lawful for the appropriate officer of the Government at any time and from time to time, if in his opinion the amount already deposited by the Licensee shall not be sufficient, to demand payment from the Licensee of such further sum or sums as he may ~~d~~ consider necessary. The Licensee shall pay the sum or sums so demanded under this clause within thirty days from the receipt of such notice. If the Licensee fails to pay the amount within the said period the Government shall g give the Licensee seven days notice of their intention to discontinue the supply of electrical energy and at the expiry of that period, if payment has not been received, may forthwith disconnect the supply until payment of this amount and of the charges for disconnection and reconnection is made.

On the termination of these presents the security deposits or such of them as have not been appropriated under these presents shall be returned to the licensee.

*NOTE: The Department will accept also security deposits in the shape of National Savings Certificates and other Government Securities where they are tendered voluntarily in lieu of ~~cash~~ cash. In such cases no interest shall be paid by the Department.

23. In the event of the Licensee requiring a power demand in excess of 1000 kw the licensee shall give the Government, twelve month's notice in writing stating the quantity of energy required, which demand demand shall be complied with if such additional energy is available for supply by the Government and subject to such sanction of Government as may be necessary under the Restriction and Control orders.

24. This agreement shall subject as ~~herein~~ hereinbefore

provided be and remain in force for a period of five years from the date of commencement of supply or the expiry of the three months notice regarding availability of supply referred to in clause 1, or until the licensee's electrical undertaking is acquired under the Madras Electricity Undertakings (Acquisition) Act, 1954 whichever is earlier, but without prejudice to the rights and remedies, if any, of either party against the other of them which may have accured or arisen hereunder in the meantime.

25. Unless sanctioned due to special conditions no squirrel cage motors of over 50 horse power capacity will be permitted on the distribution system of the licensee and the starting current of each squirrel cage motor shall not exceed 200 per cent of the normal full load current. Squirrel cage motors not exceeding 20 horse power will be permitted on the licensee's system if used with star delta starters.

The starting of slip ring or other motors of over 50 horse power capacity shall be by means of suitable appliances so designed that the starting-current at any time does not exceed 125 per cent normal full load current.

26. The rates for supply of electrical energy and all miscellaneous charges to be collected by the licensee from its consumers shall be in accordance with the provisions of section 57 of/and the Sixth Schedule of the Electricity (Supply) Act 1948 and rules thereunder for the time being in force.

27. In order to ensure effective observance of and compliance with the provisions of section 57 of and the Sixth Schedule to the Electricity (Supply) Act 1948, by the licensee, the licensee shall submit to the Chief Electrical Inspector to Government within three months of the commencement of each financial year a statement of the financial results of the Electrical undertaking for the previous year and the forecast for the current year in the prescribed form together with proposals, if any, for the modification of rates for the sale of energy to Consumers.

In proposing the modifications the tariff schedule of the Government Electricity Department applicable to the area nearest to the Licensee's area in which distribution is done by the Government may be kept in view.

28. The utilisation of clear profits in any year, creation of and contribution to reserve and allowances for depreciation of fixed assets in each year by the licensee shall conform to the provisions of the Sixth and Seventh Schedules to the Electricity (Supply) Act, 1948.

29. The Licensee shall ~~be~~ lay down suitable and sufficient additional transmission lines, feeders, and distributing mains as may be required to effect supply to every applicant village or community within the licenced area provided a gross revenue of 15 (fifteen) per cent per annum on the capital expenditure incurred by the licensee is forthcoming.

30. Any dispute or difference arising between the licensee and the Government or their respective electrical engineers as to the supply of electrical energy hereunder or the pressure thereof or as to the rates of supply or as to the interpretation of this agreement or the rights of the Government or the Licensee respectively to determine the same or any other question matter or thing arising hereunder shall be referred to a single arbitrator who shall be mutually agreed ~~on~~ upon by both parties. The arbitrator's decision thereon shall be final and the provisions of the Arbitration Act 1940 or any statutory modification thereof for the time being in force shall apply to any such reference.

Upon ~~any~~ every or any such reference the costs of and indidental to the reference and award respectively shall be in the discretion of the arbitrator subject to the condition that the amount of such costs to be awarded to either party shall not in respect of a monetary claim exceed the percentage set out

below of any such award, irrespective of the actual fees, costs and expenses incurred by either party, provided that where a monetary claim is disallowed in full the said percentage shall be calculated on the amount of the claim. The arbitrator may determine the amount of the costs to be awarded or direct the same to be taxed as between solicitor and client or as between party and party and shall direct by whom and to whom and in what manner the same shall be borne and paid.

The percentages referred to in this clause are five percent of any such monetary award which does not exceed Rs.10,000/- three per cent on the next Rs.40,000/- or any part thereof, two per cent on the next Rs.50,000/- or any part thereof and one per cent on any excess over Rs.1,00,000/-.

IN WITNESS WHEREOF

Chief Engineer for Electricity to the Government of Madras acting for and on behalf of and by the order and direction of the Governor of Madras, and

for and on behalf of the Mangalore Electric supply Company Limited have hereunto set their signatures and the common seal of the Mangalore Electric Supply Company Limited has been hereunto affixed.

Signed by the above-named
in the presence of:

CHIEF ENGINEER FOR ELECTRICITY

Signed by the above named
in the presence of:

MANAGING DIRECTOR.

1.

2.

The common seal of the Mangalore Electric
Supply Company Limited was hereunto affixed in the
presence of:-

1.

2.

/True Copy/

Superintenden

GOVERNMENT ELECTRICITY DEPARTMENT.

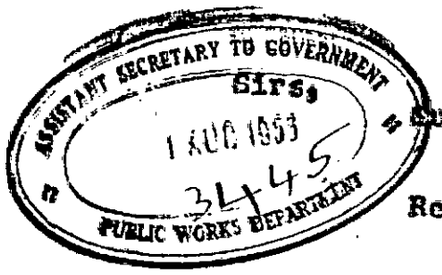
From:

Sri M.B. Kandaswamy, B.A., B.E.,
M.E.(Hons)., M.I.E.(Ind).,
Chief Operation Engineer(South),
157, Mount Road, Madras-2.

To:

The Mangalore Electric Supply Co. Ltd.,
Post Box No.78, Mangalore-1.

No. 220 E/56-19, dated 28-7-1956.



Sirs,

Sub: Electricity - Supply of Jog Power in Bulk to your company - draft agreement.

Ref: This office letter No.220 E/56-17, dt.25-6-56.

In continuation of my letter cited and with reference to the points raised in your letter No.Man/1526/74, dated 13-6-56 with regard to the draft agreement in respect of bulk supply to your company, I have to state as follows:-

1) Demand limit (Clauses (1) & (23).

The limit of demand in this clause may be modified as 1500 KVA. This limit will be enhanced when necessary later on.

2) Point of supply - Clause 4.

The clause may be modified as follows:-

The point of supply shall be at the Receiving Station of the Government at Kulashekar but the Government will construct at their cost a 11 K.V. line from their said Receiving Station at Kulashekar upto the licensee's S.S. 10. The line shall remain the sole property of the Government. The changeover of the licensee's 3.3 K.V. line from its S.S.10 to its Power House shall be done by the Government at their cost and the materials used for the said changeover shall remain the property of the Government. The licensee shall undertake the operation and maintenance of the line from the Government Receiving Station at Kulashekar to the licensee's Power House at its own cost to the reasonable satisfaction of the Chief Engineer for Electricity to the Government. (hereinafter called the "Chief Engineer").

The Licensee will indemnify the Government against all loss or damage caused on account of his negligence or wrongful act or omission, to the lines, posts and/or other articles and thins in the said line or out of which the said line may be constructed, and no alteration in or addition to such lines and/or posts shall be made by the licensee or in behalf without the previous written sanction of the Chief Engineer. The licensee shall tap such lines for the purpose of obtaining a supply of electrical energy only with the previous written sanction of the Chief Engineer. The licensee undertakes to grant free of cost to the Government permission to use all or any land belonging to the Licensee which may be required for erecting the posts, transmission line structures and other apparatus necessary for the supply of electrical energy under this agreement, and shall at all times allow the Chief Engineer and/or his agents, servants, subordinates and workmen with or without tools to inspect and/or work on the said line strucutres, posts and other apparatus.

...2

pb. 13-15 infra

proper
Clause 14(a). The tariff/~~fixed~~ for the supply is the rate specified in the clause plus 25% thereof. The surcharges provided for elsewhere in the draft agreement are disctinct and separate additions to the tariff proper indicated above.

pb. 21-23 infra

Clause 22. This clause provides for payment of security deposit only on demand. This is with reference to the latest orders of Government. Demand for security will be made only in case of default in payment of dues to the department, so the inclusion of the clause need not be objected to.

pb. 25-31 infra

A copy of the draft agreement as approved by Government and incorporating the changes indicated above is sent herewith for your acceptance and return of executed copies thereof in the usual manner for further necessary action.

Yours faithfully,

for CHIEF OPERATION ENGINEER (SOUTH)

Encl: Draft agreement.

Copy submitted to the Secretary to Government, Public Works Department for information.
Copy to the Superintending Engineer, Pykara Electricity System, with copy of draft agreement.
Copy to the Chief Electrical Inspector to Government, with copy of draft agreement.
Copy to M/s. Octovious Steel & Co. Ltd., (Mangaging Agents), Calcutta (with copy of draft agreement).

P.W.D. (P.2).

Please see the copy of the C.O.E(S)'s letter addressed to the Mangalore licensee at pb. 1-3 above. The C.O.E. has made slight alterations to clauses 14 & 23 of the approved draft agreement apparently with reference to the licensee's letter referred to at 'X' on p.1 cf. The ~~alterations~~ clauses as modified may be accepted. No action is necessary on this. This may be filed with G.O.Ms.No. 3028 P.W. dated 6-7-56.

pb. 53-55 and 67 cf (J)

p. 1 ante

(J)

6.8.56.

6/8/56

6/8/56

AGREEMENT MADE THIS day of One thousand nine hundred and fifty between the Governor of Madras (which expression shall include his successors in office and assigns) of the One part and the Mangalore Electric Supply Company Ltd., a company registered under the Indian Companies Act 1913, and having its registered office at Calcutta (hereinafter called the licensee, which expression shall include its successors and permitted assigns) of the other part.

WHEREAS the licensee has requested the Government of Madras (hereinafter referred to as the Government) to furnish it a supply of electric energy in bulk at Mangelore for the purpose of distribution in the area fixed by the Mangalore Electric License 1930 and any subsequent modifications thereof (hereinafter called the "Licensee") and the Government have agreed to afford such supply to the Licensee on the terms and conditions hereinafter contained.

NOW IT IS HEREBY DECLARED AND AGREED AS FOLLOWS:

1. Subject to the provisions hereinafter contained and during the continuance of this agreement the Government shall supply and the Licensee shall close down its generating station and shall not use it except as a standby, but shall take from the Government as and from a date not later than three months from the date on which intimation is received in writing by the Licensee from the Government that a supply of electrical energy is available under this agreement all such electrical ~~energy is available under this agreement all such electrical~~ energy as the Licensee may require for the purpose of supply by the Licensee under the powers contained in the said license or for any other purpose for which the licensee may require such energy.

...2

2. The energy supplied to the Licensee by the Government shall be on the three-phase fifty cycles alternating current system at a normal pressure of 11000 volts. The frequency and pressure of the electrical energy at the point of supply shall be subject to the fluctuations that are ordinarily usual and incidental to the generation and transmission of electrical energy, but such fluctuations shall not except owing to extra-ordinary reasons beyond the Conrol of the Government be more than four percent on the frequency and 12½% on the pressure. The licensee agrees that all its 11000 volts step-down transformers shall be delta connected on the high-tension side and Y connected on the low tensionside.

3. Save as provided herein the supply shall be available continuously except in cases of lockout or strike of the employees of the Government, breakdown of machinery or plant, force majeure or any other cuase over which the Government have no control in any of which cases the Government shall not be responsible for any discontinuance of energy but they shall restore the supply as soon as they reasonably can.

4. The point of supply shall be at the Receiving Station of the Government at Kulashekar but the Government will construct at their cost a 11 K.V. line from their said Receiving Station at Kulashekar upto the licnesee's S.S.10. The line shall remain the sole property of the Government. The changeover of the licensee's 3.3, K.V. line from its S.S.10 to its power house shall be done by the Government at their cost and the materials used for the said changeover shall remain the property of the Government. The licensee shall undertake the operation and maintenance of the line from the Government Receiving Station at Kulashekar to the Licensee's Power House, at its own cost to the reasonable satisfaction of the Chief Engineer for Electricity to the Government (hereinafter called the 'Chief Engineer').

The Licensee will indemnify the Government against all loss or damage caused on account of his negligence or wrongful act or omission, to the lines, posts and/or other articles and things in the said line or out of which the said line may be constructed, and no alteration in or addition to such lines and/or posts shall be made by the licensee or in his behalf without the previous written sanction of the Chief Engineer. The licensee shall tap such lines for the purpose of obtaining a supply of electrical energy only with the previous written sanction of the Chief Engineer. The licensee undertakes to grant free of cost to the Government permission to use all or any land belonging to the Licensee which may be required for erecting the posts, transmission line structures and other apparatus necessary for the supply of electrical energy under this agreement, and shall at all times allow the Chief Engineer and/or his agents, servants, subordinates and workmen with or without tools to inspect and/or work on the said lines structures, posts and other apparatus.

5. All 11000 volts services or feeders taken directly from the lines or busbars of the Government shall be suitably protected by the licensee by high tension fuses or automatic oil circuit breakers. The fuses and circuit breakers shall be capable of successfully rupturing the maximum short circuit energy likely to occur at the point of installation. The relay settings and fuse capacity will in each case be specified by the Chief Engineer or his representative.

6. All transformers, switchgear and other electrical equipment directly connected to the feeders or lines of the Government shall be of suitable design and be maintained by the licensee to the reasonable satisfaction of the Chief Engineer or his representative.

7. For the purpose of registering the electrical energy

taken and the demand in KW or KVa made by the licensee under this agreement there shall be provided by the Government at the point of supply defined in clause 4 hereof one suitable 11,000 volts metering equipment which shall be the property of and be kept in repair and calibrated by the Government. Meter rent will be charged in accordance with the rules from time to time in force in the Department of Electricity of the Government.

8. The licensee may at its own expense install check meters in its feeders at the metering point of the Government at Mangalore.

9. The meters shall be properly sealed on behalf of both the parties and shall not be interferred with by either party except in the presence of the other party or its representative duly authorised in that behalf.

10. The readings of the said meters shall be taken by the accredited representatives of the licensee and the Government at or as near noon as a practicable on the last day of each calendar month and the readings so taken shall be binding and conclusive between the licensee and the Government as to the amount of electrical energy supplied to the licensee. In the event of any meter being found defective and a check meter not having been installed the power consumed for the period during which the meter was defective shall be determined by taking the daily average consumption for the previous period of supply not exceeding three months.

11. The licensee shall from time to time and at all times on previous notice thereto being given allow the employees of the Government in the Electricity Department to inspect the electrical equipment of the licensee for

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all or any of the purpose connected with the supply of electrical energy to the licensee under this agreement.

12. Once in every year the meters shall be recalibrated and standardised if necessary by the Government in the presence of the licensee's representative.

Adjustments in bills will be made for error at average load and power factor of the licensee when the meter is found to be incorrect during the annual periodical tests, for a preceding period of three months unless there is evidence for adopting a different period.

13. Either party to this agreement may at any time and after notice to the other party have a special test carried out of all or any of the meters above mentioned at a place to be fixed by mutual agreement. The meter or meters so tested shall be deemed to be correct, if as a result of such test the meter or meters are found to vary within the limits prescribed by the Indian Electricity Rules 1937 or any other statutory modifcation thereof for the time being in force. If the mean error be found to be more than that prescribed by the said Indian Electricity Rules the Government will deduct from or add to the account of the preceding period of three months or such other period during which the error is known to have existed an amount equivalent to the error. The expenses of such test shall be borne by the Government in the event of the account requiring adjustment as hereinbefore mentioned. If no adjustment of the account is necessary as a consequence of such special test the party at whose instance the test was conducted shall bear the cost of such test.

14(a) The rates to be charged by the Government at the point of supply under this agreement will be in accordance with the H.T. tariff set out below with an increase of 25 (twenty five) percent on the unit rate, the demand charge and the maximum overall unit rate:-

Class and total monthly consumption in K.W.H.	Rate per K.W.H. anna		Rate per K.V.A. of maximum demand per month.
I. Upto 25,000	0.550		upto 500 KVA Rs.3-2-0
II. Exceeding 25,000 and upto 50,000	0.500		500 KVA and over Rs.2-14-0
III. ,, 50,000 ,,100,000	0.450	P	1000 KVA and over Rs.2-10-0
IV. ,, 100,000 ,,150,000	0.425	L	
V. ,, 150,000 ,,200,000	0.400	U	
VI. ,, 200,000 ,,300,000	0.375	S	
VII. ,, 300,000 ,,400,000	0.350		
VIII. ,, 400,000 ,,500,000	0.3375		
IX. ,, 500,000 ,,750,000	0.3250		
X. ,, 750,000 ,,1000,000	0.3125		
XI. ,, 1000,000	0.3000		

At the option of the consumer, the demand may be billed on a K.W. basis in which case the above rates will be increased by four annas per month per K.W.

The above tariff is subject to a maximum overall unit charge of 0.75 anna per unit without prejudice to the minimum monthly payment set out in clause 18 and the surcharge specified in sub-clause (c).

b) The tariffs mentioned in the agreement shall be subject to any revision that may be ordered by the Government from time to time.

c) The tariffs specified in this clause are subject to all surcharges or any increase or decrease thereof which may be decided on by the Government from time to time on account of abnormal conditions.

15. Should a tariff for power for a similar class of load more favourable than that specified in clause 14 be allowed by the Government in the South Kanara area during the life of this agreement then the licensee shall be

entitled to the benefit of such a tariff.

16. Once during the life of this agreement the licensee on giving the Government six month's notice in writing may change the method of demand laid down in clause 14 from a K.W. to a KVA basis or vice versa.

17. For the purpose of this agreement the maximum demand of supply to the licensee for each month shall be the largest total amount of KVA or KW as the case may be delivered to the feeders of the Licensee at the point of supply during any consecutive thirty minutes in the month.

18. Maximum demand charges for any month and at the point of supply shall be based on the average monthly maximum KW or KVA demand for the previous calendar months commencing from January of each year and ending with the month in question always provided that this average shall not less the average demand chargeable for any previous month in the calendar year in which case the higher figure will be taken as the basis for payment. For the first calendar year of service the demand charge for any month will be based on the average of monthly demands for all the months commencing with the month of commencement of supply and ending with the month in question with the same proviso as aforementioned. The demand charge for the first month of operation will correspond to the maximum demand for that month.

The demand payment will be a fixed monthly charge whether energy is consumed or not and shall constitute the minimum monthly payment.

19. The Government shall within fifteen days after the expiration of each calendar month deliver to the licensee an account stating the number of units supplied to the licensee by the Government in accordance with the readings of the said meters and the amount payable therefor as also the amount payable in respect of maximum demand charge and other charges if any payable by the licensee to the

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Government and the licensee shall pay the same within thirty days from the delivery of such account. Provided that the Government shall be at liberty to charge interest at the rate of 12 per cent per annum on the amounts ~~fm~~ of such bills as are not paid within the above said period of 30 days in addition to and without prejudice to the other rights of the Government herein contained.

20. If the payments herein provided for or any part thereof shall be unpaid for the space of thirty days next after any of the days whereon the same ought to have been paid as aforesaid or if the licensee shall not in all things perform and observe the conditions herein contained and on the part of the licensee to be observed and performed then and in such case and in addition to any other right or power possessed by the Government, the Government shall be at liberty at any time thereafter notwithstanding that the Government may not have taken advantage of any previous breach of default or event of a like nature at their choice to suspend all further supply of electrical energy under this agreement or to forthwith put an end to these presents by notice in writing and determine this agreement. Such suspension of the supply of electrical energy shall not relieve the licensee of its liability to pay the minimum charge provided for in clause 18 nor shall such determination affect any right claim demand or power which may have accrued to the Government.

21. The power factor of the plant and apparatus owned by the licensee at the point of supply shall not be less than 0.8. Should the power factor be below 0.8 it is liable to a penalty of 8 annas per KW of monthly demand while if the power factor drops below 0.7 it must be brought up by methods approved by the Engineers of the Government failing which the service may be discontinued. The power factor shall be that determined

during the half hour of maximum demand on any working day in the month. This clause will not be applicable if the demand is determined on KVA basis.

22. The Licensee shall when called upon to do so by the Government deposit with the Chief Accountant, Pykara Electricity System, the sum of Rs. /- in cash* as security for the due payment by the licensee of all or any sum or sums of money which may become due and payable to the Government under these presents. Interest shall be paid on cash deposits at the rate of three per cent per annum or such other rate as may be approved by the Government from time to time, subject to the condition that the amount remains at deposit with the Department. Full calendar months only shall be taken for the purpose of calculating interest, and the interest shall be calculated to the nearest anna.

The interest accruing to the credit of the licensee shall be adjusted once a year in April in the Electricity Supply Bill.

In the event of the licensee failing to pay to the Government all or any sum or sums of money that may become due and payable to the Government under these presents on the dates respectively fixed herein for payment thereof, it shall be lawful for the appropriate officer of the Government, in addition to and without prejudice to the other rights and remedies of the Government arising out of such failure under these presents, to appropriate a part or all of such deposit towards the arrears due by the Licensee.

In the event of the security deposited by the Licensee under this clause being at any time diminished by deductions therefrom under the provisions of this clause, it shall be lawful for the appropriate officer of the Government

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to demand in writing from time to time the payment of such further sum as shall be necessary to bring up the total of the deposit to the sum of Rs. /- provided that it shall also be lawful for the appropriate officer of the Government at any time and from time to time, if in his opinion the amount already deposited by the Licensee shall not be sufficient, to demand payment from the Licensee of such further sum or sums as he may consider necessary. The Licensee shall pay the sum or sums so demanded under this clause within thirty days from the receipt of such notice. If the Licensee fails to pay the amount within the said period the Government shall give the Licensee seven days notice of their intention to discontinue the supply of electrical energy and at the expiry of that period, if payment has not been received, may forthwith disconnect the supply until payment of this amount and of the charges for disconnection and reconnection is made.

On the termination of these presents the security deposits or such of them, as have not been appropriated under these presents shall be returned to the licensee.

*NOTE: The Department will accept also security deposits in the shape of the National Savings Certificates and other Government Securities where they are tendered voluntarily in lieu of cash. In such cases no interest shall be paid by the Department.

23. In the event of the Licensee requiring a power demand in excess of 1500 KVA the licensee shall give the Government, twelve month's notice in writing stating, the quantity of energy required, which demand shall be complied with if such additional energy is available for supply by the Government and subject to such sanction of Government as

may be necessary under the Restriction and Control orders.

24. This agreement shall subject as hereinbefore provided be and remain in force for a period of five years from the date of commencement of supply or the expiry of the three month's notice regarding availability of supply referred to in clause 1, or until the licensee's electrical undertaking is acquired under the Madras Electricity Undertakings (Acqusition) Act, 1954 whichever is earlier, but without prejudice to the rights and remedies, if any, of either party against the other of them which may have accured or arisen hereunder in the meantime.

25. Unless sanctioned due to special conditisons no squirrel cage motors of over 50 hourse power capacity will be permitted on the distribution system of the licensee and the starting current of each squirrel cage mtor shall not exceed 200 per cent of the normal full load current. Squirrel cage mtoros not exceeding 20 Horse power will be permitted on the licensee's system if used with star delta starters.

26. The starting of slip ring or other motors of over 50 horse power capacity shall be by means of suitable appliances so designed that the starting-current at any time does not exceed 125 per cent normal full load current.

27. The rates for supply of electrical energy and all miscellaneicus charges to be collected by the licensee from its consumers shall be in accordance with the provisions of Section 57 of and the Sixth Schedule to the Electricity (Supply) Act 1948 and rules thereunder for the time being in force.

28. In order to ensure effective observance of and compliance with the provisions of section 57 of and the sixth schedule to the Electricity(Supply) Act 1948, by the licensee the licensee shall submit to the Chief Electrical Inspector to Goverrment within three months of the commence-

commencement of each financial year a statement of the financial results of the Electrical undertaking for the previous year and the forecast for the current year in the prescribed form together with proposals, if any, for the modification of rates for the sale of energy to consumers.

In proposing the modifications the tariff schedule of the Government Electricity Department applicable to the area nearest to the Licensee's area in which distribution is done by the Government may be kept in view.

28. The utilisation of clear profits in any year creation of and contribution to reserve and allowances for depreciation of fixed assets in each year by the licensee shall conform to the provisions of the Sixth and Seventh schedules to the Electricity (Supply) Act, 1948.

29. The Licensee shall lay down suitable and sufficient additional transmission lines, feeders, and distributing mains as may be required to affect supply to every applicant village or community within the licenced area provided a gross revenue of 15(fifteen) per cent per annum on the capital expenditure incurred by the licensee is forthcoming.

30. Any dispute or difference arising between the licensee and the Government or their respective electrical engineers as to the supply of electrical energy hereunder or the pressure thereof or as to the rates of supply or as to the interpretation of this agreement or the right of the Government or the Licensee respectively to determine the same or any other question matter or thing arising hereunder shall be referred to a single arbitrator who shall to mutually agreed upon by both parties. The arbitrator's decidison thereon shall be final and the previsions of the Arbitration Act 1940 or any statutory modification thereof for the time being in force shall apply to any such reference.

Upon every or any such reference the costs of and incidental to the reference and award respectively shall be in the discretion of the arbitrator subject to the condition that the amount of such costs to be awarded to either party shall not in respect of a monetary claim exceed the percentage set out below of any such award, irrespective of the actual fees costs and expenses incurred by either party, provided that where a monetary claim in disallowed in full the said percentage shall be calculated on the amount of the claim. The arbitrator may determine the amount of the costs to be awarded or direct the same to be taxed as between solicitor and client or as between party and party and shall direct by whom and to whom and in what manner the same shall be borne and paid.

The percentages referred to in this clause are five per cent of any such montary award which does not exceed Rs.10,000; three per cent on the next Rs.40,000 or any part thereof, two per cent on the next Rs.50,000 or any part thereof, two per cent on the next Rs.50,000 or any part thereof and one per cent on any excess over Rs.1,00,000.

IN WITNESS WHEREOF

Chief Engineer for Electricity to the Government of Madras acting for and on behalf of and by the order and direction of the Governor of Madras, and

for and on behalf of the Mangalore Electric Supply Company Limited have hereunto set their signatures and the common seal of the Mangalore Electric Supply Company Limited has been hereunto affixed.

Signed by the above named
in the presence of:

CHIEF ENGINEER FOR ELECTRICITY.

105/31

Signed by the above named in the presence of:

MANAGING DIRECTOR.

1.

2.

The common seal of the Mangalore Electric Supply Company Limited was hereunto affixed in the presence of:

1.

2.

GOVERNMENT ELECTRICITY DEPARTMENT.

From: Sri N.R. Narasimhamurthi, B.Sc., B.E.,
Chief Operation Engineer (South),
157 Mount Road, Madras-2.

To: The Mangalore Electric Supply Co. Ltd.,
Post Box No.78, Mangalore 1.

No. 220 E/56-34, dated 12-9-1956.

Dear Sirs,

Sub: ELECTRICITY--supply of Jog Power in bulk to your company--agreement.

Ref: Your letter No. Man/Camp/162/74, dt. 4-9-1956.

I note that the amended draft agreement sent with this office letter No.220 E/56-19, dated 28-7-56 is acceptable to you.

Though you will be availing bulk supply only for a short period between the actual date of availing supply and the date of vesting, a written agreement for the supply is necessary. It is appreciated that within the limited time available before the vesting date it will be difficult to sign the agreement. Neverthless, I shall be glad if you immediately initiate action for the execution of the agreement. Even if the agreement is sent for completion after the vesting date there is no objection.

Supply will be given when the arrangements are completed and charged for as per the terms of the agreement without waiting for completion of the agreement.

Yours faithfully,

for CHIEF OPERATION ENGINEER/SOUTH.

PC 12 9

Copy to M/s. Octavius Steel & Co. Ltd., Calcutta.

Copy to the Secretary to Government, Public Works Department, Madras for information with a copy of the licensee's letter under reference with reference to this office letter No.220 E/56-19, dated 28-7-56 (copy endorsed to Government). Bulk supply will be made available to the licensee and such supply charged for as per the terms of the agreement based on the acceptance given in para 1 of his letter under references and pending execution of the agreement.

Copy to the Superintending Engineer, Pykara Electricity System with copy of the licensee's letter under reference.

Copy to the Chief Electrical Inspector to Government.

COPY OF letter No.MAN/Camp/162-74, dt.4th Sep. 1956 from The Mangalore Electric Supply Co. Ltd., to C.O.E.(S).

Sub: Supply of Jog Power in Bulk to this Company - Draft Agreement.

With further reference to my letter No.Man Camp/126/74 of the 4th August 1956, I beg to advise you that the amended draft Agreement received with your letter No.220 E/56-19, dated 28-7-1956 is acceptable.

As per my discussion with you during my last visit to Madras, I trust that it would not be necessary to actually eexcute the Agreement in view of the short period before which the Undertaking will vest in Government.

--TRUE COPY-- V J. Nabarayan
SUPERINTENDENT.

KRB
12/9.

P.W.D. (P-2)

pp. 1 - 3 ante.

May be filed with F.O. M. No 3028 P.W. dated 6-7-56.

28/9/56.

28/9/56

U.S.O.

P. W. D. (P.2.).

Sub: Electricity - Supply of Jog power to Mangalore Distribution by the Mangalore Licensee - Agreement.

Ref: From the C.E.(E), letter No.220 E/56-3, dated 13.3.56.
Govt. Memo. No.1543 P/56-1, dated 3-5-56.
From the C.E.(E), No.220-E/56-6, dated 21.5.56.
From the C.E.(E), No.220-E/56-8, dated 4.6.56.

Please see the C.E.(E)'s letter at p.1 c.f., the memo at p.21 c.f. and the C.E.(E)'s letters at pp.23-25 c.f. The C.E.(E) has stated that the Mangalor Electric Supply Company Ltd. has requested that the bulk supply of Jog power which will be made available by the Mysore Govt. to the Electricity Department of this State some time this year may be supplied to it for purposes of distribution in its licensed area of supply. The C.E.(E) has forwarded for approval a draft agreement incorporating the terms and conditions under which such supply will be given.

2. The clauses of the draft agreement are examined below:---

Preamble: is in order. Certain spelling ~~specifiling~~ mistakes have been corrected in pencil.

Clauses 1 to 3, 5 to 13, 15 to 21, 25 and 30. are similar to corresponding clauses in the standard form of agreement for construction of H.T. lines by Government in the licensed areas and bulk supply to the licensees at pp.30-38 of Appendix XI of Madras Electricity Manual, Volume II.

Clause 4 is based on clauses 4 and 5 of the standard form. In the third sentence of the second sub-paragraph the words "shall permit the State Govt free of cost the use of" may be substituted for the words "undertakes to grant free of cost to the Govt. permission to use" as in the case of H.T. supply to Integral Coach Factory, Perambur.

Clause 14. The C.E.(E) has stated that the tariff proposed in clause 14(a) is only tentative based on the tariff in the original scheme report. The words "on account of abnormal conditions" in clause 14(c) may be deleted as in the cases of agreements dealt with recently.

Clauses 22, 24 and 26 to 29 incorporate amendments to the corresponding clauses of the standard form with reference to the latest orders of Govt. and are similar to clauses 22, 24 and 26 to 29 of the renewal agreement recently executed by the Tinnevelly-Tuticorin Licensee in respect of the bulk supply to that licensee.

Clause 23 is similar to clause 26 of the standard form for bulk supply to licensees.

. The conclusion is in order.

3. The Mangalore Undertaking was originally programmed to be acquired on 31-12-1955. In view of the States Reorganisation proposals the acquisition of the undertaking was deferred to 15-12-1956. Subsequently with reference to representations for the acquisition of the undertaking earlier than 15.12.56 received by Govt., the matter has been ~~reconsidered~~ re-examined and ~~in Consulting advancing the Vesting date according to the latest orders the undertaking will vest in Govt.~~ to 15-10-56 is under consideration

If the reorganisation of States takes place as now contemplated the area now served by the Mangalore licensee will go over to the Mysore State on 1-10-56 (the appointed date)

4. The C.E.(E) has stated that Jog power is likely to become available for distribution in South Kanara District by about the end of this month. He has, therefore, requested early approval of Govt. to the draft agreement at pp.3-17 c.f.

5. In the circumstances it is for orders whether the draft agreement on pp.3-17 c.f. may be approved

1543-P/56

P

subject to the amendments indicated in pencil.

6. Public (Partition) ~~and~~ Law (Scrutiny) and Finance Departments may see for remarks.

6.6.56.

6/6/56

7/6/56

Pub (Part)

Law (Scr)

Fin

Pub (Partition) Dept.

Note of PWD on pp 1-3 above may be perused. ~~No file passed~~ Law may see in the first instance.

8/6/56.

8/6/56

9/6/56 Law

Law department

One of the duties of the A. G. P. is to draft etc and approve leases, contracts (vide G.O.No. 951 Pub-F dated 15/11/1953). The draft agreement at pp.3-17 does not appear to have been settled in consultation with the A.G. P. It may, therefore, be sent to him for scrutiny in the first instance.

11.6.56

Fin (LS)

Papers perused and returned to Pub. with reference to the remarks of Law above.

12/6/56 P.W.

Thro' Secy (Irrig)

UNDER SECRETARY
21557
8 JUN 1956
CHIEF SECRETARIAT

bcf

P.W.D.O.1543-P/56-2
8.6.56.

Pub (Partition)
2155/56
8/6

THIRD ASSISTANT SECRETARY TO GOVERNMENT
9 JUN 1956
LAW DEPARTMENT

Law dept. No. 89
9.6.56

SECRETARY TO GOVERNMENT
13 JUN 1956
2717

DEPUTY SECRETARY TO GOVERNMENT
12 JUN 1956
54075
FINANCE DEPARTMENT

12.6.56

Fin U.O.No. 54075 EB/56-1
12-6-56 in sealed Cover

4.

P.W.D (P-2)

Please see the notes of Pub (Partition), Law (Ser.) and Fin. Depts. at p. 3 ante.

With reference to the note of the Law Dept. a draft memo to the C.E.(E) is submitted for approval.

13.6.56.

13/6/56

13/6/56

Issued as memo No. 1543-P/56-3 dated 13.6.56.

From the C.E.(E) dr. No. 220 E/56-16 dated 22.6.56.

The C.E.(E) has forwarded a copy of the draft agreement for supply of Jog power to the Mangalore Electric Supply Corpn. Ltd., as settled by the A.G.P. It is similar to the draft agreement forwarded by the C.E.(E) with his letter dated 13-3-56.

The draft agreement at pp. 31–45 cf may be approved subject to the amendments indicated in pencil, to clause 4 at p. 33 cf and clause 14 (c) at p. 37 cf. Certain spelling and punctuation mistakes have also been corrected in pencil.

The file may now be sent to Law (Ser) with reference to their note at p. 3 ante.

28.6.56.

28/6/56

29/6/56

Law (Ser)

P.W.U.O. 1543-P/56-4

ASSISTANT SECRETARY
28 JUN 1956
9954
PUBLIC WORKS DEPARTMENT

Law Department

The draft agreement at pages 31-45 c.f. as settled by the Assistant Government Pleader is in order.

2.7.56.

2.7.56

U.S. | DS

vide U.O. No. 9954/SB1

2.7.58.

P.W.D. (P.L.)

Please see the Law Dept. note above. The draft agreement at pp. 31-45 c/f as amended may be approved. A draft order is submitted for approval.

5.7.56.

5/7/56

6/7/56

6/7/56

6/7/56

p. 49 c/f

Issued as G.O.Ms. No. 3028 P.W. dt 6.7.56.